

**G.I.F. Services Investment Report**  
**Summary of Investments**  
**Nevada Higher Education Tuition Trust Fund Board**  
**Quarter Ending March 31, 2007**

**Summary of Investments as of March 31, 2007**

	1st Quarter 2007	1 Year*	3 Years*	5 Years*
	<u>Total Return</u>	<u>Total Return</u>	<u>Total Return</u>	<u>Total Return</u>
<b>Fixed Income Investment</b>	1.63%	6.62%	3.65%	5.14%
<b>Equity Investments</b>	1.91%	12.06%	12.49%	9.18%
<b>Total Fixed Income and Equity**</b>	1.79%	9.77%	8.62%	8.10%

	FY06	FY05	FY04	FY03	FY02	FY01
	<u>Total Return</u>	<u>Total Return</u>	<u>Total Return</u>	<u>Total Return</u>	<u>Total Return</u>	<u>Total Return</u>
<b>Fixed Income Investment</b>	-0.28%	6.91%	-0.08%	8.66%	9.90%	10.33%
<b>Equity Investments</b>	11.76%	10.95%	25.92%	2.62%	-19.78%	-15.45%
<b>Total Fixed Income and Equity**</b>	6.43%	9.16%	13.02%	6.27%	-3.96%	-2.43%

\* Annualized Returns

\*\* The Fixed Income and Equity and Mutual Fund Composite total returns are approximate returns based on the weighted returns of each investment. The returns are weighted based on the market value at the beginning of each quarter for each investment. This return utilizes the quarterly return of each mutual fund and is an approximation of the Trust Fund's investment return and the monthly investments into each investment. Changes in mutual fund investments result in these returns being approximations, not the actual return of the Trust Fund's investment.

*The market value of assets and total returns have been provided by Atlanta Capital Management, Trusco Capital, INVESCO, Morningstar, and Wells Fargo, as custodian. Performance rates for the fixed income accounts and the INVESCO Enhanced Index investment are gross of advisory and custodial fees. The remaining equity investments are net of the respective mutual fund expenses and gross of the State's custodian and advisory fees.*

# G.I.F. Services Investment Report

## GIF Sub-Advisor Managed Investments

### Nevada Higher Education Tuition Trust Fund Board

### Quarter Ending March 31, 2007

Summary of Portfolio Returns											
	Assets Under Management (at market value)	1st Quarter 2007				Fiscal YTD July 2006 - March 2007			1 Year*		
		Total	Portfolio vs. Benchmark	Spread +/- Benchmark	Yield to Maturity	Total	Portfolio vs. Benchmark	Spread +/- Benchmark	Total	Portfolio vs. Benchmark	Spread +/- Benchmark
		Return	Benchmark	Benchmark	Maturity	Return	Benchmark	Benchmark	Return	Benchmark	Benchmark
<b>Fixed Income Investment</b>											
GIF/Atlanta Capital Mgt.**	\$ 22,314,208	1.55%	above	0.05%	5.10%	6.62%	below	-0.05%	6.67%	above	0.09%
GIF/Trusco Capital Mgt.**	\$ 22,140,534	1.71%	above	0.21%	5.10%	6.33%	below	-0.34%	6.55%	below	-0.03%
Lehman Agg. Index (Benchmark)		1.50%	NA	NA	5.30%	6.67%	NA	NA	6.58%	NA	NA
<b>Equity Investments:</b>											
GIF/INVESCO Enhanced Index	\$ 20,317,833	0.30%	below	-0.34%	NA	14.95%	above	1.48%	13.60%	above	1.77%
S&P 500 (Benchmark)		0.64%	NA	NA	NA	13.47%	NA	NA	11.83%	NA	NA

#### Summary of Investments

	1st Quarter 2007	July 2006 - March 2007	1 Year*
	Total Return	Total Return	Total Return
Fixed Income Investment	1.63%	6.48%	6.61%
Enhanced Equity Investment	0.30%	14.95%	13.60%
Mutual Fund Investments	2.85%	13.46%	11.50%
<b>Total Fixed Income and Equity***</b>	\$ 100,566,231	1.79%	10.68%
			9.77%

\* Annualized Returns

\*\* Fixed Income investment performance is limited by the restriction on new purchases of FNMA and FHLMC securities.

\*\*\* The Fixed Income and Equity and Mutual Fund Composite total returns are approximate returns based on the weighted returns of each investment. The returns are weighted based on the market value at the beginning of each quarter for each investment. This return utilizes the quarterly return of each mutual fund and is an approximation of the Trust Fund's investment return and the monthly investments into each investment. Changes in mutual fund investments result in these returns being approximations, not the actual return of the Trust Fund's investment.

*The market value of assets and total returns have been provided by Atlanta Capital Management, Trusco Capital, INVESCO, Morningstar, and Wells Fargo, as custodian. Performance rates for the fixed income accounts and the INVESCO Enhanced Index investment are gross of advisory and custodial fees. The remaining equity investments are net of the respective mutual fund expenses and gross of the State's custodian fees.*

# Investment Report

## Mutual Fund Investments – Monitored by GIF

### Nevada Higher Education Tuition Trust Fund Board

### Quarter Ending March 31, 2007

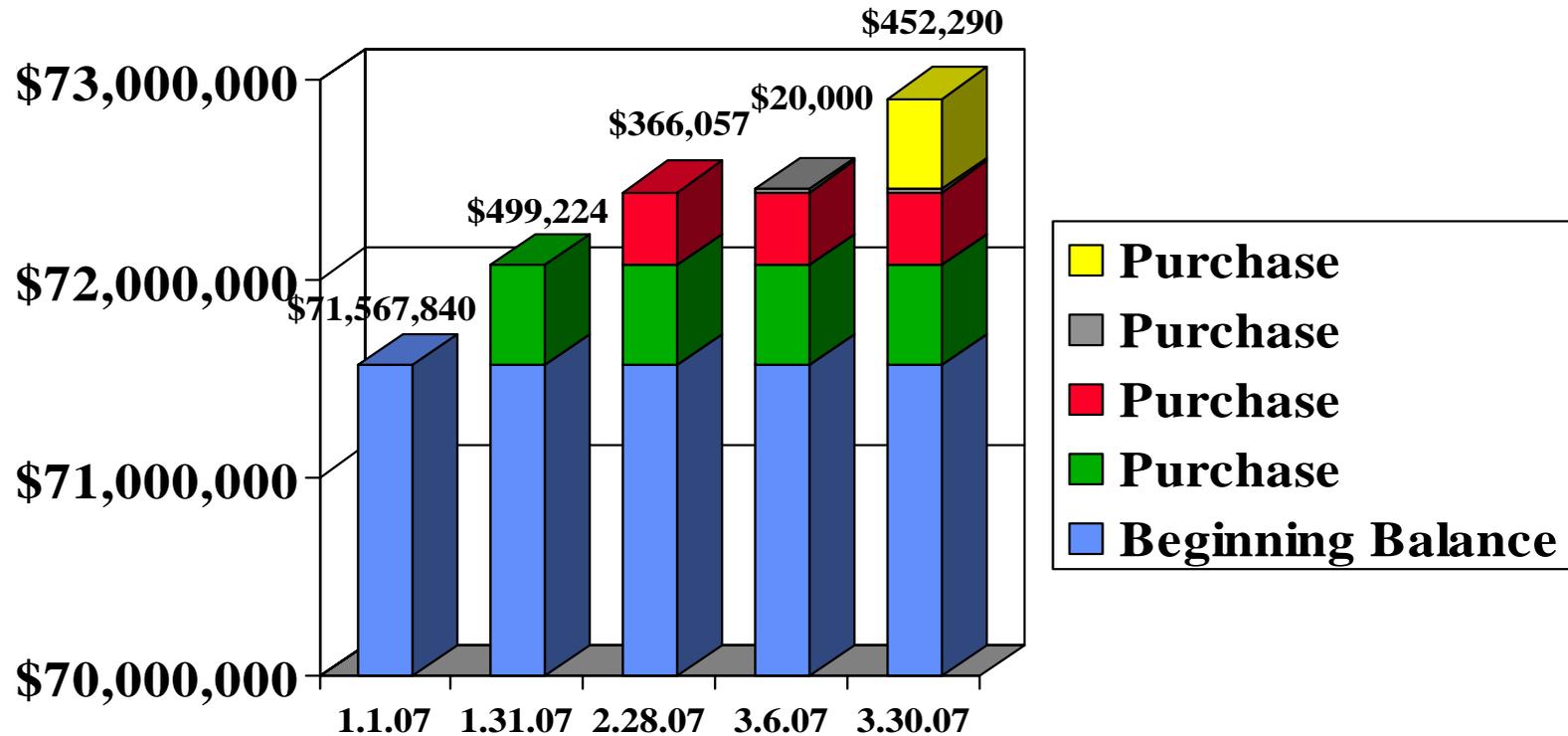
Summary of Mutual Fund Investments*										
		1st Quarter 2007			Fiscal YTD July 2006 - March 2007			1 Year		
		Total Return	Portfolio vs. Benchmark		Total Return	Portfolio vs. Benchmark		Total Return	Portfolio vs. Benchmark	
			Spread +/- Benchmark	Spread +/- Benchmark		Spread +/- Benchmark	Spread +/- Benchmark			
<b><u>Equity Mutual Fund Investments</u></b>										
Dodge & Cox Stock Fund	\$ 13,327,414	1.72%			13.60%			14.51%		
S&P 500 Value (Benchmark)		1.34%	above	0.38%	14.93%	below	-1.33%	15.63%	below	-1.12%
Russell 1000 Value Index (Benchmark)		1.24%	above	0.48%	16.14%	below	-2.54%	16.83%	below	-2.32%
Goldman Mid Cap Value Fund	\$ 4,803,129	4.81%			16.21%			14.64%		
S&P Midcap 400 Value (Benchmark)		5.67%	below	-0.86%	13.34%	above	2.87%	11.05%	above	3.59%
Russell Midcap Value Index (Benchmark)		4.86%	below	-0.05%	17.79%	below	-1.58%	17.13%	below	-2.49%
Vanguard Strategic Equity	\$ 4,710,232	4.87%			12.30%			9.01%		
S&P Midcap 400 (Benchmark)		5.80%	below	-0.93%	11.97%	above	0.33%	8.45%	above	0.56%
Russell Midcap Index (Benchmark)		4.38%	above	0.49%	14.76%	below	-2.46%	11.79%	below	-2.78%
FMI Common Stock Fund	\$ 4,763,643	5.55%			18.91%			13.79%		
S&P Midcap 400 (Benchmark)		5.80%	below	-0.25%	11.97%	above	6.93%	8.45%	above	5.34%
Russell Midcap Index (Benchmark)		4.38%	above	1.17%	14.76%	above	4.15%	11.79%	above	2.00%
American Beacon Small Cap VL	\$ 4,208,948	3.38%			13.28%			8.80%		
S&P SmallCap 600 Value (Benchmark)		2.17%	above	1.21%	11.41%	above	1.87%	6.90%	above	1.90%
Russell 2000 Value Index (Benchmark)		1.46%	above	1.92%	13.44%	below	-0.16%	10.38%	below	-1.58%
Harbor Small Cap Value Fund	\$ 3,980,299	-1.54%			4.08%			0.12%		
S&P SmallCap 600 (Benchmark)		3.21%	below	-4.75%	10.32%	below	-6.24%	5.29%	below	-5.17%
Russell 2000 Index (Benchmark)		1.95%	below	-3.49%	11.51%	below	-7.43%	5.91%	below	-5.79%
<b>Total Mutual Funds</b>	<b>\$ 35,793,666</b>									
<b>Mutual Fund Composite Return</b>		<b>2.85%</b>	<b>above</b>		<b>13.46%</b>	<b>below</b>		<b>11.50%</b>	<b>below</b>	
<b>S&amp;P 500 (Benchmark)</b>		<b>0.64%</b>		<b>2.21%</b>	<b>13.47%</b>		<b>-0.01%</b>	<b>11.83%</b>		<b>-0.33%</b>

\* The returns shown for the mutual funds above are for the funds not the Trust Fund's investment in these funds. Changes in mutual fund investments result in these returns being approximations, not the actual return of the of the Trust Fund's investment. The Mutual Fund Composite returns are approximate returns based on the weighted returns of each investment, utilizing the market value of each investment at the beginning of each quarter. On November 25, 2003, funds were transferred from the Strong Mid-Cap Disc. Fund to the Vanguard Strategic Equity Fund and the Strong Small Cap Value Fund to the American Beacon Small Cap Value Fund, respectively. On July 5, 2005 the Royce Low-Priced Stock Fund investment was liquidated and the funds were reinvested in the Harbor Small Cap Fund and the current mid-cap investments.

**G.I.F Services  
Investment Report to the  
Nevada Higher Education Tuition Trust Fund  
for the Quarter Ending March 31, 2007**

**Schedule of Investment  
Purchases**

Total Principal Invested of \$72,905,411

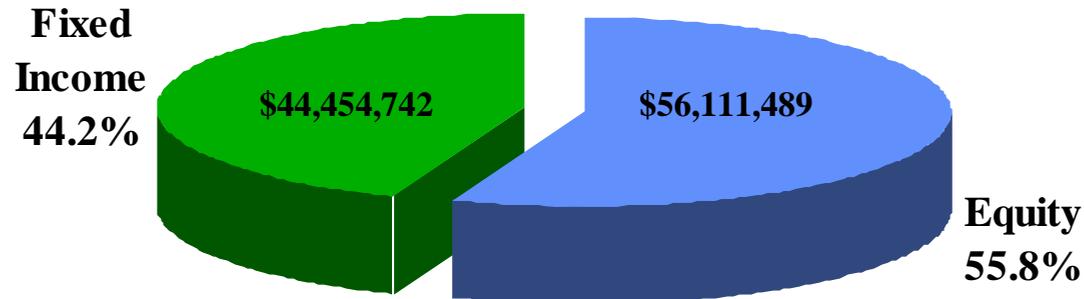


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**Asset Distribution**

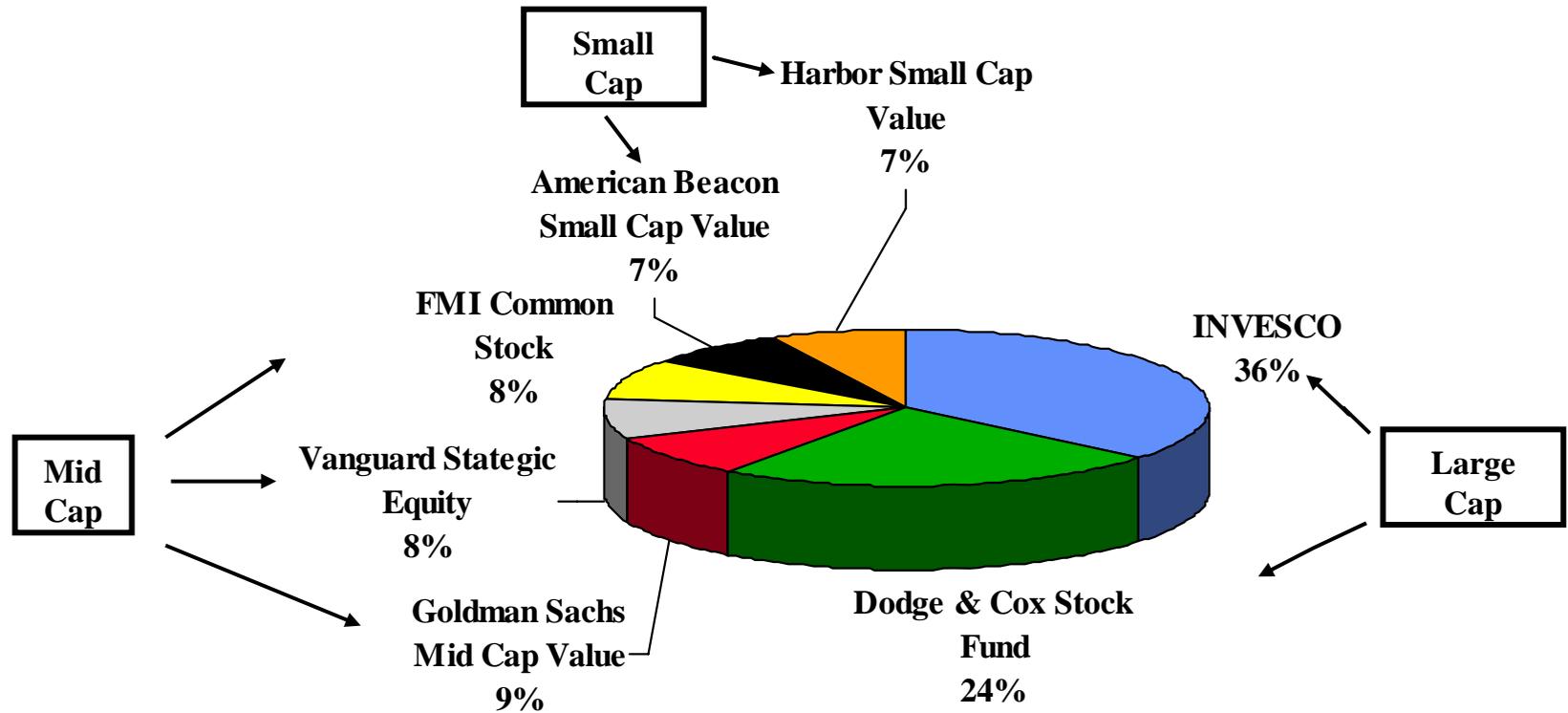
**Market Value as of**  
**March 31, 2007**



- On August 28, 2002, \$3,942,000 was transferred from the fixed income portfolio into equity investments to rebalance the investments to 50% equity and 50% fixed income.
- On October 31, 2006 \$3,592,000 was transferred from the equity investments into the fixed income portfolios to rebalance the investments to 55% equity and 45% fixed income.

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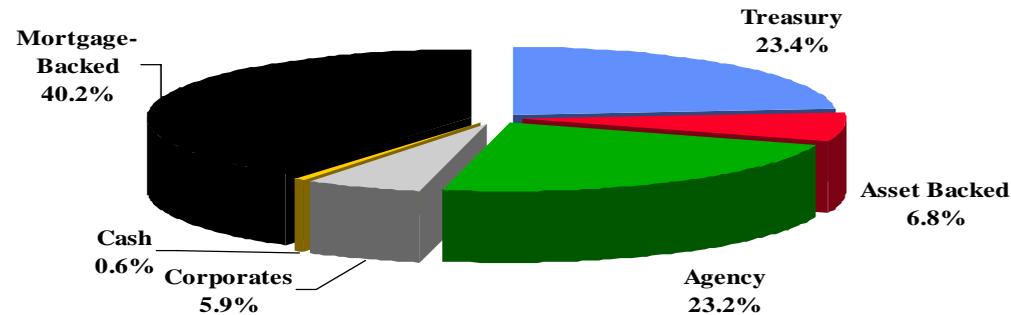
**Equity Investment Diversification  
as of March 31, 2007**



# G.I.F Services

## Investment Report to the Nevada Higher Education Tuition Trust Fund for the Quarter Ending March 31, 2007

### Atlanta Capital Management Co. Portfolio Diversification



### Portfolio Comment

After bond yields rose in December and January, weaker economic data and concerns over subprime mortgage lending pushed yields sharply lower in February. Despite stronger employment and higher inflation in March, the bond market still managed a small price gain for the quarter ended March 31st. For the quarter, the portfolio's longer than benchmark duration contributed slightly to performance. The portfolio's sector allocations did not materially impact returns as all sectors performed similarly in the quarter. The yield on many investment grade corporate bonds remain below those of higher quality alternatives such as fixed rate mortgage-backed and asset-backed securities. With corporate earnings growth beginning to slow, we expect the yield premiums on lower quality securities to increase. As such, we continue to hold few corporate bonds and continue to favor the higher-quality fixed rate mortgage and agency sectors.

	1st Quarter 2007						Fiscal YTD			OneYear*			3 Years*			5 Years*		
	Total		vs.	+/-	Yield		Total		vs.	+/-	Total		vs.	+/-	Total		vs.	+/-
	Return	Index	Index	Yield	Maturity	Duration	Return	Index	Index	Return	Index	Index	Return	Index	Index	Return	Index	Index
Atlanta Capital Mgt**	1.55%	NA	NA	4.90%	5.10%	4.7 yrs	6.62%	NA	NA	6.67%	NA	NA	3.84%	NA	NA	5.29%	NA	NA
Lehman Agg. (Benchmark)	1.50%	above	0.05%	5.27%	5.30%	4.5 yrs	6.67%	below	-0.05%	6.59%	above	0.08%	3.31%	above	0.53%	5.35%	below	-0.06%
Lehman Gov./Credit Index	1.47%	above	0.08%	5.13%	5.13%	5.1 yrs	6.53%	above	0.09%	6.38%	above	0.29%	2.90%	above	0.94%	5.57%	below	-0.28%

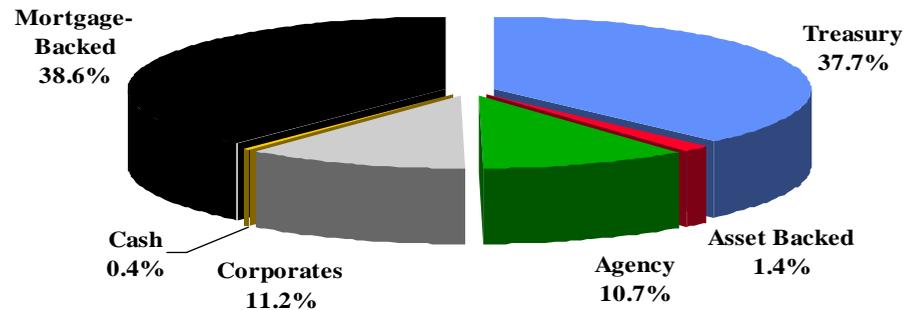
\* Annualized

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# G.I.F Services

## Investment Report to the Nevada Higher Education Tuition Trust Fund for the Quarter Ending March 31, 2007

### Trusco Capital Management Portfolio Diversification



### Portfolio Comment

The bond market stayed within the trading range established during the second half of 2006 as the market balances the signs of slowing economic growth with inflation that remains above the Fed's stated comfort level. Slower economic growth and fears of looming problems in the sub-prime market finally started to put pressure on the corporate bond market. Despite some weakness in spreads, corporates still remain tight by historic standards and risk from merger and acquisition activity remains high. A flight to quality following February's stock market correction in China pushed swap spreads wider and caused assets priced off of swap spreads—most notably ABS/MBS and Agencies--to under perform treasuries for the quarter.

	1st Quarter 2007						Fiscal YTD			OneYear*			3 Years*		
	Total Return	vs. Index	+/- Index	Yield			Total Return	vs. Index	+/- Index	Total Return	vs. Index	+/- Index	Total Return	vs. Index	+/- Index
				Current Yield	to Maturity	Duration									
<b>Trusco Capital Mgt**</b>	1.71%	NA	NA	4.92%	5.10%	4.6 yrs	6.33%	NA	NA	6.55%	NA	NA	3.37%	NA	NA
<b>Lehman Agg. (Benchmark)</b>	1.50%	above	0.21%	5.27%	5.30%	4.5 yrs	6.67%	below	-0.34%	6.59%	below	-0.04%	3.31%	above	0.06%
<b>Lehman Gov./Credit Index</b>	1.47%	above	0.24%	5.13%	5.13%	5.1 yrs	6.53%	below	-0.20%	6.38%	above	0.17%	2.90%	above	0.47%

\* Annualized

\*\* Investment performance is limited by the restriction on new purchases of FNMA and FHLMC securities.